

June 5, 2003

Ms. Sharon Donovan, Project Officer
Centers for Medicaid and State Operations
7500 Security Blvd., Mailstop 52-26-12
Baltimore, MD 21244-1850

Dear Ms. Donovan:

As you know, the Division feels strongly that limited public resources be directed to assisting those individuals who cannot afford to provide for their own health care needs. This is particularly true during times, like now, when the Commonwealth of Massachusetts is facing a severe fiscal crisis. In an effort to contain costs, while simultaneously ensuring the protection of vital health services for impoverished and disabled individuals, the Division will be submitting several new Section 1115 waiver requests and protocol changes. In an effort to obtain expeditious review of these issues, the Division will be sending you numerous concept papers, waiver requests and Protocol Document changes over the next several months.

Concurrently with this letter, the Division is submitting changes to the Protocol Document concerning its intent to place enrollment caps on the number of adults (age 19 and over) who can participate in MassHealth CommonHealth and MassHealth Family Assistance (collectively, the "Programs"). Enclosed are redlined versions of the relevant current Protocol Document language, as well as a clean copy of the proposed new Protocol Document language.

None of the individuals who will be affected by the proposed enrollment caps are eligible for Medicaid benefits. Those affected by the enrollment caps are provided benefits as "costs not otherwise matchable" under Section 1115(a)(2). The increased utilization of the Programs, with corresponding increased costs, particularly in light of Massachusetts' budget crisis, is placing a severe strain on the Division's ability to maintain the Programs. The enrollment caps are necessary to ensure the Division can continue to maintain the Programs for its expansion populations. Applicants who, but for the caps, would have been enrolled in one of the Programs, will be placed on a waiting list. When the Division is able to open enrollment for adult applicants, the applications on the waiting list will be

processed based on the earliest date that they were determined eligible for either CommonHealth or Family Assistance and had to be placed on the waiting list.

Although the Division is currently awaiting legislative approval of regulatory changes concerning the enrollment caps, it would like to be in a position to implement the caps immediately after it receives that approval. The Division has set a target implementation date, assuming legislative approval of the regulatory changes, of July 1, 2003. The Division is therefore requesting that you advise us, as at your earliest convenience, as to whether the changes to the Protocol Document in connection with the implementation of enrollment caps are acceptable to CMS.

The Division is also submitting a draft change to the Protocol Document concerning its intent to restrict certain MassHealth members' freedom of choice. As you know, paragraph Seven of the Section 1115 Waiver provides that Massachusetts has the right "to restrict freedom of choice of provider." Pursuant to that provision, the Division will be seeking approval of protocol changes that require all MassHealth participants with bleeding disorders, who are not enrolled in a MCO, to obtain their Anti-Hemophilia Factor ("AHF") drugs from either one, or a select group of, providers. The Division anticipates that it will be able to obtain discounted prices on AHF drugs, which are extremely expensive, by requiring that all AHF drugs be purchased from either one, or a select group of, providers. The Division will also be encouraging, although not requiring, members with bleeding disorders to take advantage of care management services offered by the selected provider(s). The Division believes members with bleeding disorders who avail themselves of those care management services will increase their odds of living longer and healthier lives.

The Division is currently in the process of determining which provider(s) it will require all AHF drugs to be purchased from. Once it makes that decision, it will execute a contract with the provider(s). The Division would like to implement the protocol changes shortly after the contracts are executed and in no event later than January 2004. In an effort to ensure the implementation goes smoothly, I am annexing a draft of new language the Division would like included in the Protocol Document. The only changes the Division anticipates making in the annexed draft language will be the replacement of the language "X Company" with the name(s) of the company selected by the Division. I would appreciate it if you could advise me as to whether that language will be acceptable to CMS.

Thank you, as always, for your assistance with the Division's 1115 Demonstration Project. Please do not hesitate to contact me at (617) 210-5371 if you have any questions or comments.

Sincerely,

Beth Waldman
Deputy Commissioner

Enclosures

cc: Elena Nicollela, CMS Region I

4.2.2.5 Enrolling Special Populations

4.2.2.5.2 Hemophilia and Other Bleeding Disorders Care

The Division requires that all MassHealth participants with bleeding disorders, who are not enrolled in a MCO, must obtain their Anti-Hemophilia Factor (“AHF”) drugs from a single provider, X Company. All such members are encouraged to utilize the services of X Company’s representatives, including their pharmacy team, pharmacy care coordinators, community advocates, and nursing staff. X Company’s representatives are available to coordinate with the member’s PCC, PCP or primary care doctor and Hemophilia Treatment Centers to optimize therapy outcomes and to ensure the cost-effective use of AHF drugs.